kazhcha, the declared object of levying which, was to utilise it on rural improvements and sanitation, it was considered, would be more than sufficient for the purpose. In 1096 a new policy was initiated with regard to Panchayats under which an amendment to the Panchayat Regulation calculated to increase greatly the powers of these bodies was resolved upon, and with this it was also proposed to make provision for the levy of a local cess by the Panchayats. The opposition against the cess resulted in its being dropped, while the provision relating to the grant of additional powers was retained. Shortly after this we find that the Panchayat system was extended throughout ths State. As a consequence, the burden of financing these bodies began to fall heavily on the Government as is evident from the following figures.

Year.	Budget grant. Rs.	Actual expenditure. Rs.	
1095	32,000	30,997	
1096	38,200	37,835	
1097	52,700	92,158	
1098	93,287	72,586	
1099	98,966	83,853	
1100	1,17,187	1,08,415	
1101	1,11,072	1,11,073	(Revised estimate).

Thus within a short time of nearly six years the expenditure on account of Panchayats has increased nearly four-fold, while the income from *Tirumulkazcha*has remained almost stationary at about Rs. 54,000. For 1102, a liberal provision of Rs. 1,42,940 is made, which is nearly Rs. 31,900 more than the revised estimate including Rs. 10,000 transferred from the Sanitation budget for 'Water supply'. Government are fully aware that the Panchayat administration is a matter which touches the welfare of the people in general, and that it constitutes a training ground for them to share the larger responsibilities of this House, and considerations such as these have led the Government to deal generously with these institutions. While nobody would deny that the development of the Panchayats is thus of paramount importance for the well-being and prosperity of the people, I feel confident that the House will agree with me, that any headlong course has to be checked with due regard to the finances of the State, and that the time has now come to take stock of the situation and find out fresh means of satisfying the needs of the Panchayat administration by levy of a local cess, if need be. It is a grave question, and I need hardly assure the House that no final decision will be arrived at without consulting non-official opinion.

Excise.—The budget estimate is fixed at Rs. 3,25,000 or Rs. 12,800 more than the revised estimate, and the increase is

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chiefly due to the larger provision made for the purchase of 'Salt'.

Forests and Tramway.—I cannot think of the two separately since the one serves only as a hand-maid to the other. It is for tapping the resources of the Forest Department alone that the Tramway was first introduced, and when the area tapped by the Tramway gets denuded, and when, instead of being a helpful agent, it becomes a drag on and a parasite of the other department, it is no doubt time to consider the ways and means of either mending or ending the system. The following will illustrate the general statements I made above.

		Revenue. Rs.	*Expenditure.* Rs.	*Surplus.* Rs.
1097	Forests	3,69,001	2,05,252	
	Tramway	16,958	1,60,697	
	Total	3,85,959	3,65,949	20,010
1098	Forests	4,53,793	2,37,850	
	Tramway	14,048	1,43,263	
	Total	4,67,841	3,81,113	86,728
1099	Forests	3,58,125	2,07,368	
	Tramway	10,382	1,48,158	
	Total	3,68,507	3,55,526	12,981
1100	Forests	4,75,633	2,03,163	
	Tramway	11,872	1,77,349	
	Total	4,87,505	3,80,512	1,06,993

I am afraid, it is these figures, that led some of the members to characterise the 'Tramway' as 'the white elephant' of the State during the last budget discussion. The Government are anxiously considering the whole question as also the ways and means of solving the vexed problem. Meanwhile, they propose to work the forests tapped by the Tramway intensively in the next two or three years so that all the available timber that can be brought down by the Tramway may be so transported, and hence the larger provision under 'Forests' for 1102 (Rs. 2,04,600) as against the revised estimate of Rs. 1,99,300. While giving sufficient work for the Tramway, this would at the same time bring in more revenue to the Forest Department. Under 'Tramway' we do not propose to spend anything for the coming year except for its bare maintenance.

General Administration.—The General Administration budget is up by Rs. 6,900. This is mainly due to the larger

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